

Fiscal Note

Fiscal Services Division



SF 422 – Expanded PPEL Uses (LSB 2584SV)

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Fiscal Note Version – New

Description

Senate File 422 expands the allowable uses of Physical Plant and Equipment Levy (PPEL) revenues to include transactions involving technology equipment or furnishings. The Bill permits technology equipment or furnishings to be bundled as a single transaction to meet the \$500 requirement.

Background

Regular PPEL – In FY 2011, 328 districts levied for the regular PPEL (approved by the school board) totaling \$41.1 million, and of those, 318 levied up to their regular PPEL capacity. The remaining 41 districts have a remaining PPEL capacity totaling \$3.1 million.

Voter-Approved PPEL (VPPEL) – In FY 2011, 248 districts levied for the VPPEL totaling \$81.7 million (including property tax and income surtax), and of those, 79 levied up to their VPPEL capacity. The remaining 280 districts have a remaining VPPEL capacity totaling \$78.6 million.

The following table provides information regarding regular PPEL and VPPEL.

Regular Physical Plant and Equipment Levy (PPEL)		
Number of Districts with Regular PPEL		328
Total PPEL Amount Levied (in Millions)	\$	41.1
Number of Districts at Maximum Rate		318
Number of Districts with Remaining Regular PPEL Capacity		41
Regular PPEL Capacity Remaining (in Millions)	\$	3.1
Voter-Approved Physical Plant and Equipment Levy (VPPEL)		
Number of Districts with VPPEL		248
Total VPPEL Amount (Property Tax and Income Surtax - in Millions)	\$	81.7
Number of Districts at Maximum Rate		79
Number of Districts with Remaining VPPEL Capacity		280
VPPEL Capacity Remaining (in Millions)	\$	78.6

Assumptions

- School boards not currently levying their capacity for the regular PPEL (maximum rate of \$0.33/\$1,000 of assessed valuation) may approve an increase in the regular PPEL rate.
- There may be an impact related to the voter-approved PPEL levy rate as well. However, the amount will depend on voter approval within each school district.

Fiscal Impact

The estimated fiscal impact of [SF 422](#) is unknown. Based on data for FY 2011, the maximum fiscal impact would be an increase in the regular PPEL of \$3.1 million. Additionally, there may be an increase in the voter-approved PPEL in future years due to enactment of [SF 422](#), but any increases would depend on voter approval within each school district.

Sources

Iowa Department of Management, School Aid file
LSA calculations and analysis

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to Code [Section 2.56](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
